Effect of global recession on Textile Sector

438. SHRI RUMANDLA RAMACHANDRAIAH: Will the Minister of TEXTILES be pleased to state:

(a) whether if Government is of the view that the global recession will not affect Indian textile sector;

(b) if so, whether it is also a fact that out of the Rs. 25,000 crore Textile Upgradation Fund created by Government Rs. 8,000 crore have already been utilised in the last two years;

(c) whether the Government are aware that the mills sector needed large investment and necessary measures to assist the sector; and

(d) if so, what steps Government are considering to take to see that the global recession does not affect the textile sector?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI V. DHANANJAY KUMAR): (a) to (d) For modernization of the textile and jute industries, with effect from April 1, 1999, Government has launched the Technology Upgradation Fund Scheme (TUFS) for a period of 5 years. Various Nodal Agencies *viz.* IDBI, SIDBI & IFCI and their co-opted agencies are operating the scheme. Without any ceiling on investment, the scheme provides for reimbursemnt of 5% interest charged by the financial institutions/banks for technology upgradation projects in conformity with the scheme.

During the last two years *i.e.* 1-4-1999 to 31-3-2001 of 1087 applications with investment proposals of Rs. 12004 crore received, 885 applications with the total loan amount of Rs. 4446 crore were sanctioned and Rs. 2570 crore has been disbursed against 636 applications.

Apart from the TUFS, in order to increase the competitiveness of Indian textile industry in global markets, Government of India has taken a number of other steps including:

(i) The Technology Mission on Cotton (TMC) has been launched to improve quality, productivity and production of cotton

thereby to make the quality cotton available to the user industry.

(ii) A Textile Package has been announced for modernization of powerloom sector.

(iii) A chain of textile testing laboratories have been set up to help industry in assessing the quality of textiles.

(iv) For import of capital goods, the Export Promotion of Capital Goods (EPCG) scheme has been simplified.

(v) Cotton can be imported freely without any restrictions.

(vi) Initiated measures for application of information technology in the textile trade and industry.